



ENERGY ASSURANCE DAILY

Wednesday Evening, September 15, 2010

Electricity

Update: Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Ramped Up to 99 Percent by September 15

The unit shut automatically on September 9 "due to Overtemperature Delta-T signal," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of September 14 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100910en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Entergy's 951 MW Indian Point Nuclear Unit 2 in New York Ramped Up to 35 Percent by September 15

Entergy shut the plant on September 3 "to make repairs to a reactor coolant pump motor," the company said in a press release. The Nuclear Regulatory Commission reported that on the morning of September 14 the unit was operating at 7 percent.

http://www.entergy-nuclear.com/news_room/newsrelease.aspx?NR_ID=1875

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey at Full Power by September 15

The Nuclear Regulatory Commission reported that on the morning of September 14 the unit was operating at 65 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Delta Energy Center's 880 MW Delta Energy Center Gas-Fired Unit in California Ramps up by September 14

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 300 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201009141515.html>

Reliant's 320 MW Etiwanda Gas-Fired Unit 4 in California Reduced by September 14

According to the California Independent System Operator, the unit reported an unplanned curtailment of 250 MW by September 14.

<http://www.caiso.com/unitstatus/data/unitstatus201009141515.html>

PG&E's 154 MW Kerkhoff Ph 2 Hydro Unit 1 in California Shut by September 14

According to the California Independent System Operator, the unit reported an unplanned outage by September 14.

<http://www.caiso.com/unitstatus/data/unitstatus201009141515.html>

Update: In Fire Prevention Bid, SDG&E to Cut Electricity to Parts of System under Certain Conditions

In a bid to prevent the spread of wildfires, San Diego Gas & Electric plans to cut power to parts of its electric system if winds approach or surpass 56 miles/hour, or if onsite workers say the system is in danger. State regulators rejected SDG&E's proposal last year to shut down portions of its system under certain windy conditions. The CPUC, however, said that the company had to ensure the safety of its system. SDG&E, for its part, said the CPUC had "acknowledged that we have the authority to use our expertise and judgment in deciding whether a power shutoff is required."

http://www.nctimes.com/business/article_20e0e9f3-6636-53cb-9e67-d939b1a272e8.html

Petroleum

Update: Enbridge Should Restart 670,000 b/d, 34-Inch, Wisconsin-to-Indiana Crude Oil Line 6A by End of Week: PHMSA Official

Enbridge's 670,000 b/d, 34-inch, 467-mile Wisconsin-to-Indiana Line 6A "should be up and running in some form of fashion by the end of the week," according to a senior engineer with the Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA). A PHMSA spokeswoman, however, said there was "no date set for the restart of Line 6A and no approvals have been issued to Enbridge." She said the agency would "not allow a limited restart of the line until Enbridge has satisfied all regulations to protect the safety of the surrounding community and environment." Enbridge shut the line after it ruptured and spilled an estimated 6,100 barrels of crude oil in Romeoville, Illinois by September 9. The PHMSA did not place the line "under a Corrective Action Order," according to the agency engineers. Such an order would have forced Enbridge to meet more stringent conditions before regulators authorized the company to restart the line. The PHMSA did, however, issue a "Corrective Action Order" for Enbridge's 190,000 b/d, Indiana-to-Ontario Line 6B. Enbridge shut that line in late July after it ruptured and spilled about 19,000 barrels of crude oil into a creek near the company's Marshall, Michigan pump station. Line 6B remained shut, as of latest reports. Separately, Enbridge said it redirected some of the crude oil that would normally have traveled along Line 6A to Line 14, which delivers 320,000 b/d from Wisconsin to Illinois. Refiners across the U.S. Midwest were making adjustments or seeking alternate supplies, but the continued shutdown of Line 6A did not appear to have caused any significant disruptions, as of latest reports.

<http://www.businessweek.com/news/2010-09-15/enbridge-may-start-illinois-oil-pipeline-by-weekend.html>

Reuters, 10:28 September 15, 2010

Update: Enbridge Defends Response to Late-July Crude Oil Spill along Company's 30-Inch, Indiana-to-Ontario Lakehead System Line 6B, as DOT Official Criticizes Response, Announces Investigation into Company Practices

DJN, 10:23 September 15, 2010

DJN, 12:58 September 15, 2010

<http://www.washingtonpost.com/wp-dyn/content/article/2010/09/14/AR2010091405350.html>

DOI to Require Oil-and-Gas Companies to Decommission nearly 3,500 Non-Producing Wells, Dismantle Non-Operating Platforms

The U.S. Department of the Interior (DOI) will require oil-and-gas companies operating in the Gulf of Mexico to set permanent plugs in nearly 3,500 nonproducing wells that are currently completed with a subsurface safety valve in place, and dismantle about 650 oil-and-gas production platforms if they are no longer being used for exploration or production, Secretary of the Interior Ken Salazar and Bureau of Ocean Energy Management, Regulation and Enforcement Director Michael R. Bromwich said on September 15. Historically, companies have been reluctant to plug certain assets, according to the DOI. The companies have claimed, among other things, that the assets might be re-used. The DOI, however, will now mandate companies to plug any well that has not been used during the past five years for exploration or production, and decommission any associated production platforms and pipelines that are no longer involved with exploration or production activities. Companies will have 120 days to submit plans for decommissioning their facilities and wells. The "Notice to Lessees" will become effective on October 15, 2010.

<http://www.doi.gov/news/pressreleases/Interior-Department-Issues-Idle-Iron-Guidance.cfm>

Valero Shuts Hydrocracker at 315,000 b/d Corpus Christi, Texas Refinery September 14

Valero shut a 36,000 b/d hydrocracker at the west plant of its 315,000 b/d Corpus Christi, Texas refinery, but it did not expect the outage to last long or significantly impact production, a spokesman said. The company shut the unit to fix a leak, according to the spokesman.

Reuters, 09:59 September 15, 2010

Shell Begins Production at 100,000 boe/d Jackpine Oil Sands Mine in Alberta, Canada by September 15

Shell has begun production at its planned 100,000 boe/d Jackpine oil sands mine in Alberta, Canada, the company said on September 15. The Jackpine Mine, along with the existing 155,000 boe/d Muskeg River Mine, will feed bitumen to the Scotford Upgrader. The upgrader, in turn, will process the bitumen for refined oil products. Shell has already broken ground on an expansion at the upgrader, and expects to finish that project in early 2011. The company expects to ramp up output at Jackpine and Muskeg River once that expansion comes online. Shell did not say how much the mines would produce in the interim.

http://www.shell.com/home/content/investor/news_and_library/2010_media_releases/oil_sands_expansion_on-stream_15092010.html

Shell Begins Process to Convert 130,000 b/d Montreal, Quebec Refinery into Fuel Terminal

Shell began shutting an alkylation unit on September 13 at its Montreal, Quebec refinery, a company spokesman said. The company plans to shut the facility by the end of October, and eventually convert it into a fuel terminal.

http://www.lse.co.uk/FinanceNews.asp?ArticleCode=ibe3z5sm6yn3xbz&ArticleHeadline=BRIEFShell_begins_Montreal_refinery_shutdown

http://www.shell.ca/home/content/can-en/aboutshell/media_centre/news_and_media_releases/2010/jan07_montreal_east_refinery.html

Update: Pemex Restarts Coker at 275,000 b/d Cadereyta Refinery in Mexico by September 14

Pemex restarted a coker gas oil hydrotreater by September 14 at its 275,000 b/d Cadereyta refinery in Mexico, the company said. The unit shut after a catastrophic September 7 explosion. Despite the restart, Pemex said yesterday that the facility would not resume full operations for some time.

Reuters, 13:55 September 14, 2010

Natural Gas

Update: CPUC Gives PG&E One Month to Inspect 6,400 Miles of In-State Natural Gas Pipelines

In the wake of the fatal September 9 explosion along a Pacific Gas and Electric Company-owned (PG&E) pipeline in San Bruno, California, the California Public Utilities Commission (CPUC) has given PG&E just one month to inspect all of its in-state natural gas pipelines, according to an article on the website of the Santa Cruz Sentinel. PG&E has 6,400 miles of major gas pipelines; the CPUC order would require the company to inspect nearly nine miles of pipeline per hour, 24 hours per day. PG&E, for its part said: "All the pipelines will be inspected." To read more about CPUC's order, click on the second link below or see yesterday's EAD.

http://www.santacruzsentinel.com/localnews/ci_16069410

http://docs.cpuc.ca.gov/PUBLISHED/NEWS_RELEASE/123315.htm

Williams Opens 350 MMcf/d Expansion at Echo Springs Natural Gas Processing Plant in Wyoming by September 14

Williams Partners L.P. opened the fourth cryogenic processing train (TXPR) by September 14 at the Echo Springs natural gas processing plant in Carbon County, Wyoming. The TXP4 plant added about 350 MMcf/d of natural gas processing and 30,000 b/d of natural gas liquid (NGL) production, roughly doubling Echo Springs' capacity in both cases. Current gathered volumes – more than 475 MMcf/d – are expected to grow with producer drilling plans.

<http://www.williamspl.com/profiles/investor/ResLibraryView.asp?ResLibraryID=40424&GoTopage=1&Category=1800&BzID=1296>

After the Fatal Explosion along PG&E Natural Gas Pipeline in San Bruno, California, State and Federal Lawmakers Seek to Require Companies to Install Automatic Shut-Off Valves along Certain Natural Gas Pipelines

<http://www.latimes.com/news/local/la-me-san-bruno-valves-20100915.0.5570622.story>

Occidental Plans 200 MMcf/d Gas Processing Plant, Associated Export Pipelines at Elk Hills Oil and Gas Field in California

Occidental plans to construct a 200 MMcf/d natural gas processing plant and 45 miles of associated export pipelines from its Elk Hills oil and gas field in Central California, according to project affiliates. The processing plant is expected to open in the first half of 2012. It was not clear from a news release where the export pipelines might deliver gas.

<http://www.willbros.com/fw/main/default.asp?DocID=160&reqid=1470651>

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=38241&GoTopage=2&Category=1889&BzID=1705>

Other News

E-Fuel Introduces MicroFusion Reactor - Company Says Reactor Could Convert Cellulosic Waste into Ethanol for as Little as 56 Cents/Gallon

<http://www.microfueller.com/efuel/doc/E-FUEL%20MicroFusion%20Reactor%20Press%20Release%2009-14-10.pdf>

Citing Recent Leaks along Enbridge Oil Pipelines and Explosion along PG&E Natural Gas Pipeline, U.S. DOT Sends to Congress Proposed Legislation that it Says Would Strengthen Pipeline Safety and Enforcement September 15

<http://www.dot.gov/affairs/2010/dot17210.html>

Energy Prices

U.S. Oil and Gas Prices			
September 15, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.68	75.27	69.73
NATURAL GAS Henry Hub \$/Million Btu	3.98	3.81	2.84

Source: Reuters

Energy Notes

Crowley Marine Services Reports 400 by 300 Foot Sheen from Unknown Source in Oakland Harbor, California September 14

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/3a85e38073014f5f8825779f000c1199?OpenDocument>

BP Reports Flaring for Unknown Reasons at 265,000 b/d Carson, California Refinery September 14

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/deb2e8c64761601a8825779e00693972?OpenDocument>

Citing Industry Improvements, BOEMRE Director Says Government “Highly Unlikely” to Extend Moratorium on Deepwater Drilling Past November 30

Reuters, 17:26 September 14, 2010

Bad Weather and Wildfires Caused U.S. Gasoline Demand to Slide 3.2 Percent Last Week, to Total 8.837 Million b/d: MasterCard Advisors

Reuters, 16:27 September 14, 2010

Citing Government Moratorium on Deepwater Drilling, Anadarko Declares Force Majeure and Terminates Drilling Contract with Diamond Offshore Drilling Inc.

DJN, 09:49 September 15, 2010

Update: After Weekend Fire, PdVSA Reopens Loading Docks at 310,000 b/d Cardon, Venezuela Refinery September 15

Reuters, 12:58 September 15, 2010

Consumers Energy Completes \$75 Million Upgrade, Improves Reliability at White Pigeon Natural Gas Compressor Station in Michigan by September 15

<http://www.consumersenergy.com/News.aspx?id=3400&year=2010>

Maine Board of Environmental Protection Rejects Calais LNG's Bid to Push Back Meeting on Company's Efforts to Obtain Financing for Proposed LNG Project in State

<http://www.onlinesentinel.com/news/maine-board-environmental-protection-refuses-to-delay-calais-LNG-meeting.html>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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